



Tom Tindall
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To enrich lives through effective and caring service.



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July 20, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO AUTHORIZE THE OLIVE VIEW HOSPITAL POWER PLANT
ABSORPTION REFRIGERATION UNIT REPLACEMENT PROJECT
(FIFTH DISTRICT - 3 VOTES)**

SUBJECT

Approval of the recommended action will allow the Internal Services Department (ISD) to proceed with the replacement of the deteriorated and obsolete Absorption Refrigeration Unit (ARU) at the Olive View Hospital Power Plant.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve ISD's request and authorize ISD and its Purchasing Agent to proceed with the acquisition and installation of the ARU. The ARU replacement project cost totals approximately \$753,000. The service component of this project exceeds the statutory authority of the Purchasing Agent and, therefore, requires your Board's approval to move forward.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will authorize ISD to replace the ARU currently in service at the Olive View Hospital Power Plant located at 14445 Olive View Drive in Sylmar.

The existing ARU was commissioned approximately 23 years ago and its ability to provide chilled water has diminished significantly. The existing ARU is obsolete and replacement parts are very difficult to obtain. The ARU replacement project consists of removing the existing ARU and related piping and replacing it with an energy efficient ARU of the same cooling capacity. The ARU replacement project will increase the overall efficiency of the Olive View Power Plant.

Implementation of Strategic Plan Goals

Approval of the ARU replacement project supports the County's Strategic Plan, Goal 1 (Operational Effectiveness) by maximizing the efficiency of the County's operations through the use of equipment that utilizes the available energy resources in the most efficient manner.

FISCAL IMPACT/FINANCING

The estimated cost of the ARU replacement project is \$753,000, which is included in the Utilities' Fiscal Year 2010-11 budget. Funding for this project is from the County of Los Angeles et al., ex rel. Barakat v. Los Angeles Department of Water and Power settlement, as outlined in the Chief Executive Office's memo to your Board dated December 22, 2008. As a result, the costs will not be billed to the Olive View Hospital.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The acquisition of the equipment for the ARU replacement project falls within the statutory authority of the County's Purchasing Agent. However, installation and labor costs associated with the ARU replacement project exceed the statutory authority of the Purchasing Agent for service contracts. Therefore, Board approval is required for the Purchasing Agent to proceed with this aspect of the acquisition.

CONTRACTING PROCESS

On April 19, 2010, Solicitation Number RFB-IS-10200987 was released by ISD for the ARU replacement project. Bids were received and evaluated on May 10, 2010. Upon approval to move forward, the Purchasing Agent will make the award to the lowest responsible bidder that met the bid specifications in accordance with the County's purchasing policies and procedures.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended project will not impact County services at the Olive View Hospital.

CONCLUSION

Upon Board approval, please return one adopted copy of the Board letter to Internal Services Department, Facilities Operation Service.

Respectfully submitted,

A handwritten signature in dark ink that reads "Tom Tindall". The signature is written in a cursive, flowing style.

TOM TINDALL
Director

TT:TB:BR:jm

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel